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(AMENDED)

IRS GRANTS ADDITIONAL TAX RELIEF TO HURRICANE VICTIMS

WASHINGTON -- The Internal Revenue Service, which earlier this month gave additional time for filing and paying taxes to those affected by Hurricane Floyd, today granted further relief to the storm's victims. Affected taxpayers will generally have until October 15, 1999, to file returns or make payments originally due on or after September 14, when evacuations began.

Although the IRS cannot extend the deadline for employment or excise tax deposits, it will waive penalties on deposits required to be made by affected taxpayers on or after September 14 if the deposits are made by October 15, 1999.

Because of Floyd's severe effects in six states -- Delaware, Maryland, New Jersey, North Carolina, Pennsylvania and Virginia -- the IRS is granting the above relief to affected taxpayers in those states' disaster area counties until January 31, 2000.

The IRS is waiving interest and penalties as allowed by law. However, the tax law provides for interest abatements only for income taxes when the IRS extends a filing deadline in a disaster area. For example, affected taxpayers in the six states specified will not face late filing or late payment penalties for quarterly employment or excise tax returns due November 1, 1999, if they meet the January 31, 2000, deadline. But they will owe interest on any balances not paid by November 1. The same rule applies to any estate or gift tax returns originally due during the relief period.

As originally announced, the IRS will suspend many enforcement activities -- such as audits, levies and seizures -- for taxpayers within the presidentially-declared disaster areas of this storm until October 15, 1999 (January 31, 2000, in the six listed states). Taxpayers in such disaster areas may claim uninsured casualty losses on either amended 1998 tax returns or their 1999 forms next year. IRS representatives will be at FEMA Recovery Centers to help taxpayers with returns or to expedite requests for tax account transcripts needed for disaster-related loans.

Affected taxpayers should put "HURRICANE FLOYD" at the top of any return relying on this relief.

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[AMENDED TO INCLUDE DELAWARE IN THE LISTED STATES]